

Charter and Municipal Code – Cash Reserve / Existing Provisions

Section 7.4 CASH RESERVE FUND.

A cash reserve fund in the general operating fund of the City shall be maintained in an amount no less than five percent (5%) of the prior year's adopted general fund operating expenditure budget. The cash reserve fund shall be maintained and reported as restricted under applicable Governmental Accounting Standards Board rules and must be invested in accordance with the laws of Texas. Short term borrowing from the cash reserve fund shall be for a period of no more than one calendar year and must be approved by the Council. Annual income from the cash reserve fund may be used only for capital improvements. "Capital improvements" shall be construed to include acquisition, construction, reconstruction, or improvement of facilities, equipment, or land for use by the City and all expense incidental thereto.

3.36.010 Cash reserve fund.

A.

Each year an amount equal to one percent of all appropriations in the general fund budget shall be appropriated for the purpose of creating a cash reserve fund; provided:

1.

No such appropriation shall be made in any year, when, by so doing, the balance of the reserve fund would exceed twenty percent of the general fund budget for that year;

2.

The cash reserve created by such balance and subsequent appropriations shall not be used in any year except to reduce the short-term borrowing that would otherwise be necessary.

B.

The cash reserve fund must be maintained as a separate entity in accounting records. Additionally, the balance on deposit in the cash reserve fund must be invested in accordance with state guidelines and income from such investments will remain within the fund. The requirement for a one percent annual contribution shall be offset by earnings of the fund.

C.

Withdrawals from the cash reserve fund, whether it has attained the required size or not, may be made from time to time to meet current expenses until sufficient taxes are collected. Such withdrawals must be approved by city council action. As soon as practical after collection of taxes, the amount so withdrawn shall be repaid to the cash reserve fund so as to keep the fund available for use in the following year.

Municipal Code - Cash Reserve / Proposed Revisions

3.36.010 Cash reserve fund.

~~A.~~

~~Each year an amount equal to one percent of all appropriations in the general fund budget shall be appropriated for the purpose of creating a cash reserve fund; provided:~~

~~1.~~

~~No such appropriation shall be made in any year, when, by so doing, the balance of the reserve fund would exceed twenty percent of the general fund budget for that year;~~

~~2.~~

~~The cash reserve created by such balance and subsequent appropriations shall not be used in any year except to reduce the short-term borrowing that would otherwise be necessary.~~

~~B. A.~~

The cash reserve fund must be maintained as a separate entity in accounting records. Additionally, the balance on deposit in the cash reserve fund must be invested in accordance with state guidelines and income from such investments will remain within the fund unless expended as permitted in Section 7.4 of the City Charter. ~~The requirement for a one percent annual contribution shall be offset by earnings of the fund.~~

~~C. B.~~

Withdrawals from the cash reserve fund, whether it has attained the required size or not, may be made from time to time to meet current expenses until sufficient taxes are collected. Such withdrawals must be approved by city council action. As soon as practical after collection of taxes, the amount so withdrawn shall be repaid to the cash reserve fund so as to keep the fund available for use in the following year.